

Message Text

UNCLASSIFIED

PAGE 01 MASERU 00094 250741Z
ACTION OPIC-06

INFO OCT-01 AF-08 ISO-00 EB-08 /023 W
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R 241325Z JAN 77
FM AMEMBASSY MASERU
TO SECSTATE WASHDC 6648

UNCLAS MASERU 0094

E.O. 11652: N/A
TAGS: EINV, LT
SUBJ: EVALUATION OF TECHNOLOGY TRANSFERS AND CONTRIBUTIONS
IN KIND

REF: 76 STATE A-5760

1. FOLLOWING IS POST'S RESPONSE TO QUESTIONS ON LESOTHO'S
POLICIES AND PROCEDURES FOR TECHNOLOGY TRANSFERS AND CONTRI-
BUTIONS IN KIND POSED REFAIR:

2. TECHNOLOGY TRANSFERS: (A) THE LESOTHO NATIONAL DEVELOP-
MENT CORPORATION (LNDC) DOES LOOK AT THE NATURE OF THE
TECHNOLOGY CONTRIBUTION. IT MAKES AN IN HOUSE VALUATION;
OR COMES TO AN AGREEMENT; OR RELIES UPON A MUTALLY ACCEPT-
ABLE THIRD PARTY FOR VALUATION. IF THE INVESTMENT IS IN
RETURN FOR A PERCENT OF SALES FOR A FIXED SUM, LNDC WILL
ASSIGN IT A VALUATION AT FAIR MARKET VALUE. IF A CONTRIBUTOR
ACCEPTS EQUITY OR A PERCENT OF PROFIT, LNDC WOULD TEND TO
FAVOR HIM A BIT. (B) LNDC PROCEDURES ARE FAIR. ANY "OVER-
VALUATION" WOULD BE WHERE THE CONTRIBUTOR IS ACCEPTING RISK
AS A PARTICIPANT IN EQUITY OR PROFIT. LNDC DOES NOT USE
EXPERTS IN THE SENSE THAT THEY ARE PROFESSIONAL VALUATION
PEOPLE, BUT IT PROBABLY WOULD IF THE PROBLEM WAS COMPLEX.

3. CONTRIBUTIONS IN KIND: (A) VALUATIONS ARE BASED ON FAIR
MARKET. STANDARDS WOULD TEND TO VARY IF CONTRIBUTIONS IN KIND
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ARE MADE FOR EQUITY SHARES. (B) EMBASSY BELIEVES THAT LNDC
VALUATION PROCEDURES ARE QUITE FAIR.

4. OPIC MAY RELY UPON LNDC VALUATIONS WITH THE PROVISIO
THAT A PERSON WHO BECOMES A RISK PARTNER WILL NORMALLY BE
TREATED A LITTLE BETTER THAN A CASH ONLY NEGOTIATOR.

5. THE ABOVE SHOULD BE READ WITH THE UNDERSTANDING THAT LNDC
HAS HAD VERY LITTLE ACTIVITY IN THESE AREAS IN THE PAST.
NEITHER ITS POLICIES OR PROCEDURES HAVE AS YET BEEN REDUCED
TO WRITING. LNDC HAS USED THE ABOVE METHODS IN THE PAST AND
WILL LIKELY USE THEM IN THE FUTURE.
STOKES

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, TECHNOLOGICAL EXCHANGES
Control Number: n/a
Copy: SINGLE
Sent Date: 24-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
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Expiration:
Film Number: D770026-0447
Format: TEL
From: MASERU
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1977/newtext/t19770125/aaaaavms.tel
Line Count: 68
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Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
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